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COMMITTEE ON WAYS AND MEANS

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May 9, 2001

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The Honorable George W. Bush The White House 1600 Pennsylvania Avenue Washington, D.C. 20500

Dear Mr. President:

Recently, you took initial steps to protect the confidentiality of patient's medical information (re: 45 CFR Parts 160 through 164 Final Rule). This complex issue is one that has vexed policy makers for several decades, so it is critical we balance a patient's privacy rights against legitimate health care needs. We were pleased both you and the Secretary of Health and Human Services recognized the need to make modifications to the final rule in order to strike that balance.

The final rule adopted by the Administration must be carefully implemented. Specifically, we are concerned with five main issues: revising the patient consent requirements; clear standards for "minimum necessary" use and disclosure of information; realistic requirements for business associates; coverage of oral communications and advisory opinions for conflicting state standards. We have outlined our concerns in an attachment.

If it becomes evident, however, that providers and others are unable to comply with any revised regulations, legislation may be necessary to restore the balance and trust the regulation seeks to achieve. In addition, because the underlying statute prohibits the rules to apply uniformly across the country, legislation will be necessary to preempt conflicting state standards. National uniformity is a critical issue in an Internet world and a global economy. Only legislation can address the short comings of the regulation in this area.

We look forward to working with you and Secretary Thompson on this issue to ensure the best outcome for patients, providers, insurers and researchers.

Sincerely,

Bill Thomas Chairman

Nancy Johnson

Chairman, Health Subcommittee

cc: Secretary Thompson Attachment